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DIRECTORATE OF INTELLIGENCE

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Yugoslavia: Conservative Leader Under Pressure

Summary

Yugoslavia's political and economic troubles are due in no small measure to Serbian strongman Slobodan Milosevic, who has established himself as a champion of Serbian nationalism and authoritarian rule. Milosevic, however, is becoming increasingly isolated. He has provoked greater tensions with the liberal north, and he has lost significant support among Yugoslavia's southern republics, Serbia's traditional allies in the federation. Even Montenegro, his only remaining ally is becoming less malleable. In his home republic of Serbia, Milosevic is facing growing criticism from liberal youth, intellectuals, and workers. Milosevic probably will try to defend himself by responding aggressively; attacking opponents, sponsoring new demonstrations, and provoking new confrontations with the northern republics of Slovenia and Croatia. If he fails to stem rising discontent in Serbia, as seems quite possible, he may even be ousted, thus opening the way to a multi-party system and badly needed economic reform.

This typescript was prepared by [redacted] Office of European Analysis. Comments and queries are welcome and may be [redacted]

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National Momentum Stalled

Serbian strongman Slobodan Milosevic has exploited Serbian nationalism and developed a taste for confrontation that has catapulted him into the front ranks of Yugoslav leaders. Now, however, he appears to have lost the political momentum needed to assume the mantle of power once worn by Tito. After using massive demonstrations to gain control over Serbia's two autonomous provinces of Kosovo and Vojvodina and to oust a hostile leadership in Montenegro last year, his path appears blocked by a loose coalition of regional and federal leaders--including the Army--who want to preserve the country's ethnic power-sharing system. [REDACTED]

Rising Hostility in the North

Serbia's relations with the more highly developed and liberal northern republics of Slovenia and Croatia traditionally have been marked by rivalry. Tensions have increased since Milosevic came to power in Serbia in 1987, and the situation has become particularly heated over the past two months. Slovene leaders in December threatened to use force to block a rally of ethnic Serbs in the Slovene capital of Ljubljana, touching off a bitter public dispute in which Serbian leaders called for the ouster of Slovene authorities and imposed an economic boycott on Slovenia. Croatian leaders lined up behind the Slovenes and denounced Milosevic's efforts to stir unrest among Croatia's ethnic Serb minority--about 12 percent of the population. [REDACTED]

Growing Opposition in the South

North-South tensions are nothing new in Yugoslavia, but Milosevic's exploitation of Serbian nationalism in his drive for national power also has alienated leaders in Yugoslavia's southern republics. These republics--Bosnia-Herzegovina, Montenegro, and Macedonia--traditionally are Serbia's "natural" allies in the federation because of similar levels of economic development and more conservative political traditions. [REDACTED]

Opposition to Milosevic in multi-ethnic Bosnia-Herzegovina has hardened visibly in the past few months as his support among the republic's 32 percent ethnic Serb minority has reportedly surged. The backlash among the republic's politically-dominant ethnic Muslims and Croats has led Bosnian officials to warn Milosevic that they will not tolerate ethnic Serb rallies. They have publicly accused the Serbian security service of trying to destabilize the republic leadership. In December, the Bosnian party congress reelected anti-Milosevic party chief Nijaz Djurakovic, an ethnic Muslim, which indicates that Bosnian leaders will remain aligned against Milosevic. [REDACTED]

Traditionally conservative Macedonia had been a Milosevic ally but has recently reversed its stance. Over the past six months, Macedonian leaders have voted fairly consistently against

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Serbian-backed measures in national political bodies and have openly criticized Serbian nationalism. [REDACTED] the new Macedonian leadership installed at the republic party congress in December is even more opposed to Milosevic. [REDACTED]

The leadership of Montenegro remains allied with Milosevic, but its previously consistent support for Serbian policies has noticeably softened in the past month. Montenegrin officials have challenged the Serbian position on three key political issues:

- **Serb-Slovene Dispute:** Montenegrin officials opposed Serbia's call for an economic boycott of Slovenia [REDACTED]
- **Premier Markovic's Reform Program:** Montenegrin officials have backed passage of Premier Ante Markovic's market-oriented economic reform program, which Serbia strongly opposes.
- **Serb-sponsored Demonstration:** The Montenegrin Party in January opposed holding a large demonstration in Titograd that Milosevic probably organized. [REDACTED]

The Montenegrin leaders were reportedly weak and dependent on Milosevic for political support when they were installed by demonstrators last January. As they build their own political powerbases in the republic, however, they appear prepared to take more independent political positions. Growing pressures for political reforms in Montenegro may in fact drive Montenegro out of the Milosevic camp. [REDACTED]

Growing Problems in Serbia

Even in Milosevic's home republic of Serbia, some groups are beginning to challenge him. In December, intellectual groups--including influential dissidents like Milovan Djilas--called for greater political pluralism and charged that Milosevic had fixed elections last November. The official Serbian youth organization has criticized Milosevic's half-hearted "reform" proposals and offered its own, more radical program, which calls for free elections. [REDACTED] a small group of delegates to the Serbian party congress went against Milosevic by calling for a multi-party system. One Slovene official who attended the Serbian congress believes as much as 30 percent of the Serbian party opposes Milosevic's hard line against Slovenia's liberal leadership. Finally, workers in several Serbian firms have gone on strike against falling standards of living and Serbian economic policies. [REDACTED]

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[REDACTED] Milosevic has begun a campaign of harassment, arrests, and physical intimidation to quiet dissent. He has replaced the top leaders of the youth organization to bring it under control and responded to worker discontent by promising an imminent Serbian "economic renaissance" --even though he reportedly knows Serbian economic prospects are bleak. Milosevic's hamfisted response to criticism and his inability to follow through on his promises probably will lead to greater opposition. His relations with intellectual and liberal groups already had soured enough to lead to the formation of an illegal Serbian opposition political party in December. [REDACTED]

Outlook

Milosevic's political problems--stemming from his opposition to a multi-party system and growing economic problems--probably will grow. The Serbian nationalist themes Milosevic used to propel himself into power and maintain his political position over the past two years already are wearing thin. Multi-party elections in other republics this spring, as well as the dramatic liberalization underway throughout Eastern Europe, will almost certainly stimulate further opposition to Milosevic among Serbian intellectual, youth, and even party groups who believe Serbia is falling behind Yugoslavia's other republics. Milosevic's insistence on going his own way on economic issues may backfire and lead growing numbers of Serbian workers to hold him personally responsible for their falling standards of living. [REDACTED]

In the short-term, the result is likely to be more political tensions in Yugoslavia. Milosevic responds to adversity aggressively. [REDACTED]

[REDACTED] He has several options--he may try to provoke new tensions with Slovenia and Croatia, sabotage implementation of Premier Ante Markovic's economic reform program, or attempt to oust one or more of the anti-Milosevic leaders in the south. In Serbia, he probably will continue trying to crackdown on dissident intellectual and youth groups: [REDACTED]

Milosevic almost certainly will be weakened in the next year, and there is a one in four chance he could even be ousted. Milosevic is vulnerable because his only powerbase is among the ethnic Serb populace. He has failed to build an extensive network of supporters in the Serbian party, government, and media below the top levels, and any fall in popularity, in our view, would stimulate the latent opposition to Milosevic that exists within these quarters. [REDACTED]

Any successor to Milosevic in Serbia probably would play a less divisive role in Yugoslav politics and be less of a barrier to political reform. No other Serbian leader, in our view, would

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be capable of attaining Milosevic's political supremacy in Serbia or of undertaking the same high-risk policies of confrontation with other regional leaderships. As a result, the new Serbian leaders probably would find it hard to continue Serbia's opposition to a multi-party system and market-oriented economic reforms. [REDACTED]

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